

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 CCO-00 NSCE-00 /026 W

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Z R 101345Z FEB 76

FM AMEMBASSY REYKJAVIK

TO SECSTATE WASHDC FLASH 6030

INFO USNATO IMMEDIATE 1339

AMEMBASSY BONN IMMEDIATE

AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

C O N F I D E N T I A L REYKJAVIK 0193

EXDIS

E.O. 11652: XGDS-1

TAGS: EFIS, PFOR, IC, UK

SUBJECT: ICELAND-UK FISHERIES DISPUTE: DISCUSSION WITH
PRIMEMIN HALLGRIMSSON

REF: A. REYKJAVIK 0192 (DTG 101230Z FEB 76)

B. REYKJAVIK 0159 (DTG 031803Z FEB 76)

1. SUMMARY: HALLGRIMSSON CONCERNED HE MAY NOT BE ABLE
TO WITHHOLD DIPLOMATIC BREAK WITH UK BEYOND WEEKEND
IF UK FRIGATES AND NIMRODS DO NOT LEAVE DISPUTED AREA
BY THEN. ALSO FEARS POSSIBLE ALTHING MOTION NEXT WEEK
TO LEAVE NATO IN WHICH CASE HIS GOVERNMENT WILL FALL
AND THERE WILL BE DEMAND TO RENEGOTIATE IDF
RENTION AGREEMENT. URGES USG PRESS UK OR AT
LEAST LUNS AT TODAY'S MEETING TO MAKE UK REALIZE
SERIOUSNESS OF SITUATION. POLITICAL SUICIDE FOR
HIM OR ANYONE ELSE TO GIVE PUBLIC OR EVEN PRIVATE
ASSURANCE ICELAND'S COAST GUARD WILL NOT HARASS
UK TRAWLERS IF FRIGATES DEPART BUT BELIEVES CAN
BE ACCOMPLISHED IF UK TRAWLERS STOP FISHING IN
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PROHIBITED CONSERVATION ZONES. FEELS A SATISFACTORY

INTERIM AGREEMENT WITH UK FOR 3 MONTH PERIOD
CAN BE MADE WITHIN FEW DAYS AFTER FRIGATES DEPART.
HANS ANDERSEN, WITH CONCURRENCE OF FONMIN AGUSTSSON
AND "PROBABLE CONCURRENCE" OF JUSTICE MIN JOHANNESSON,
IS WORKING ON A SCHEME TO LIMIT NUMBER UK TRAWLERS
AND ZONES WITH PRACTICAL EFFECT OF LIMITING UK COD
CATCH TO 5,000 TONS PER MONTH IN INTERIM PERIOD.
THIS COMPARES WITH LATEST UK OFFER OF 7,000 TONS
PER MONTH. THE CUTE GOI SCHEME IS TO AVOID POLITICALLY
EXPLOSIVE FISH CATCH LIMIT BY INSTEAD LIMITING TRAWLERS
AND ZONES. KROYER TO TELL MOST OF THIS TO UNDERSEC
SISCO AT THEIR 1000 HOURS MEETING TODAY BUT NOT (RPT NOT)
AS OF TIME OF OUR DISCUSSION AUTHORIZED TO DIVULGE
AND FIGURES. END SUMMARY.

2. I MET WITH PRIMEMIN HALLGRIMSSON THIS MORNING
AT HIS REQUEST. HE SAID HE HAD OBTAINED ASSURANCES
FROM HIS PROGRESSIVE PARTY COALITION PARTNER THAT
HE CAN HAVE UNTIL END OF THIS WEEK TO AVOID BREAK
OF RELATIONS WITH UK. CONDITION IS THAT UK FRIGATES
AND NIMRODS DEPART THIS WEEK. IN RESPONSE TO MY
QUERY REGARDING STANCE OF OLAFUR JOHANNESSON ON AN
AGREEMENT WITH UK (EITHER SHORT-TERM OR LONG TERM)
HE SAID HE HAD HAD JOHANNESSON'S ASSURANCE UNTIL UK
TRAWLERS ANNOUNCED OVER WEEKEND THEY WILL FISH IN
PROHIBITED CONSERVATION ZONE. HE SAID COAST GUARD
WAS ACTUALLY PULLING BACK FROM AREA WHEN UK MOTHER
SHIP LLOYDSMAN "ARROGANTLY" ANNOUNCED INTENTION TO
FISH IN PROHIBITED AREA. PRIMEMIN SAID THIS ACTION
BY LLOYDSMAN MADE IT IMPOSSIBLE POLITICALLY FOR COAST
GUARD OR GOI TO IGNORE, HENCE "FORCED" TO CUT TRAWLS.
PRIMEMIN FEELS HE CAN GET JOHANNESSON'S ASSURANCE
AGAIN UNDER CONDITIONS STATED ABOVE.

3. WHEN I REMARKED UK AMBASSADOR EAST TOLD ME YESTERDAY
THAT UK SUSPICIOUS THAT ICELAND MAKING UNILATERAL
DECLARATION OF PROHIBITED CONSERVATION ZONES AS DEVICE
TO CURTAIL UK FISHING, BECAUSE ICELANDIC TRAWLERS
AND UK TRAWLERS SELDOM FISH IN SAME ZONE, PRIMEMIN
REPLIED THIS WAS A MISUNDERSTANDING THAT HE WILL TRY
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TO CLEAR UP. PRIMEMIN SAID HE WOULD BE WILLING
TO HAVE ICELAND MARINE BIOLOGISTS CONSULT WITH UK
COUNTERPARTS ON DESIGNATION SUCH ZONES TO PRESERVE
THE YOUNG COD. HE WENT ON FURTHER TO SAY THAT UK
TRAWLERS SELL THEIR FISH FRESH AND THEREFORE SIZE
OF FISH IS NOT AS SIGNIFICANT TO THEM AS IT IS TO
ICELANDERS WHO FILET AND SELL THEIR FISH FROZEN,
THUS REQUIRING LARGER SIZE COD. THE ZONES CURRENTLY

BEING PUT ON THE PROHIBITION LIST CONTAIN YOUNG COD, WHICH PRIMEMIN WILLING LET UK BIOLOGISTS SEE FOR THEMSELVES.

4. WHEN I ASKED HOW HE COULD KEEP THE COAST GUARD IN CHECK EVEN FOR THE FEW DAYS HE SAYS HE NEEDS, HE SHRUGGED. I THEN SUGGESTED THAT IF THE COAST GUARD SHIPS WERE BEING RAMMED AS FREQUENTLY AND AS BADLY AS CLAIMED, IT WOULD APPEAR TO ME THEY SHOULD BE CALLED INTO PORT FOR INSPECTION, BEFORE THEY FALL APART. I ALSO SUGGESTED IT PROBABLY WAS TIME FOR COAST GUARD COMMANDERS TO BE CALLED IN TO PORT FOR A FEW DAYS OF CONSULTATIONS AND CONFERENCES. PRIMEMIN SEEMED INTRIGUED WITH THESE SUGGESTIONS.

5. PRIMEMIN SAID HE IS RAPIDLY LOSING SUPPORT OF MAJORITY OF ALTHING (INCLUDING MANY IN HIS OWN PARTY) FOR HIS GO SLOW APPROACH. HE FEARS PP WILL PULL OUT OF GOVERNMENT NEXT WEEK ON A DEMAND NOT ONLY TO SEVER RELATIONS WITH UK BUT ALSO TO GIVE FORMAL NOTICE TO WITHDRAW FROM NATO. SINCE HE WILL NOT BE A PARTY TO THE LATTER, HE WILL LET GOVERNMENT FALL. HE REMARKED I CAN IMAGINE THE LINEUP IN A NEW ELECTION REGARDING IDF RETENTION. HE REITERATED THE KEY TO AVOIDING THIS IS FOR FRIGATES AND NIMRODS TO DEPART AND UK NOT ASK FOR ASSURANCES ON TRAWLER HARASSMENTS OR MAKE PUBLIC STATEMENTS TO THIS EFFECT.

6. I DREW OUT, ONLY WITH GREAT RELUCTANCE ON HIS PAST, THE SCHEME HANS ANDERSEN WAS WORKING ON. PRIMEMIN SEEMS TO BELIEVE HE CAN SELL IT TO HIS COALITION PARTNER FOR AT LEAST A THREE MONTH PERIOD. HIS CHIEF AIM IS TO CONFIDENTIAL

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RELIEVE THE PUBLIC PRESSURE ON NATO AND THE IDF.

7. WE DISCUSSED ALSO THE PENDING GENERAL LABOR STRIKE SET FOR FEBRUARY 17 (SEAMEN STRIKE TO START FEBRUARY 14). PRIMEMIN SAID ROUND THE CLOCK NEGOTIATIONS GOIN ON. SETTLEMENT MUST BE REACHED THIS WEEKEND TO AVOID EXACERBATING THE FISHERIES DISPUTE. MANY OF THE LABOR UNIONS ARE OPPOSED TO ANY KIND OF FISHERIES AGREEMENT WITH UK. HE HOPES TO MAKE UNIONS AN ATTRACTIVE WAGE OFFER SO AS TO LESSEN THEIR OPPOSITION TO A FISHERIES AGREEMENT. HE SAID THAT IF FRIGATES ARE NOT WITHDRAWN THIS WEEK HE MIGHT FAIL IN THIS ATTEMPT. ICELAND WILL THEN HAVE CHAOS, WITH PUBLIC EMOTIONS AT A NEW HIGH PITCH AGAINST NATO AND IDF, AND A LONG GENERAL STRIKE.

8. I TOOK OPPORTUNITY TO MENTION TO HIM POSSIBLE ADVERSE CONSEQUENCES TO ICELAND IF IDF FORCED TO LEAVE ICELAND REFTEL B). PRIMEMIN ADMITTED READILY ALL OF THIS COULD HAPPEN, BUT REMINDED ME THAT ICELANDERS DO NOT LOOK THAT FAR AHEAD WHEN THE PRESENT IS SO BLEAK.

9. RE REFTEL (B) JOHANNESSON CLAIM THAT 1974 DEFENSE MOU COMMITS USG TO COME TO MILITARY DEFENSE OF ICELAND BY HELPING COAST GUARD, PRIMEMIN SAID IF FISHERIES SITUATION WORSENS HE SUSPECTS JOHANNESSON MIGHT MAKE THIS CLAIM IN ALTHING EVEN THROUGH FONMIN AND OTHERS DENY ITS VALIDITY. PRIMEMIN SAID THAT HE, TOO, HOWEVER, WOULD BE INTERESTED IN DETERMINING WHETHER USG WOULD BE WILLING TO SELL ICELAND SOME PATROL BOATS AND IF SO, AT CONCESSIONAL RATES. HE EMPHASIZED HE WAS NOT NOW CONTEMPLATING MAKING A REQUEST. HE WOULD LIKE TO HAVE THE ANSWER TO BOTH, HOWEVER, IN EVENT HE IS FORCED TO STRENGTHEN THE COAST GUARD SOON OR ULTIMATELY.

10. OUR HOUR'S CONVERSATION ENDED WITH PRIMEMIN'S PLEA THAT USG EXERT UTMOST PRESSURE ON UK IN ORDER TO SAVE ICELAND'S MEMBERSHIP IN NATO AND TO SAVE THE IDF. HE SAID HE BELIEVES THT THIS TIME
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HE FEELS HE CAN CONTROL COURSE OF EVENTS, AT LEAST DURING NEXT FEW MONTHS IF FRIGATES DEPART AND UK WILLING TO GO ALONG WITH REDUCTION FROM ITS LATEST OFFER.
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